

To: Kansas House Tax Committee

From: Dean Schmidt, Owner

Dean Schmidt Rare Coins & Atchison Rare Coin Company

Date: January 29, 2018

Regarding: Support of HB 2421, Sales and use tax exemption of bullion,
numismatic coins, and currency

Mr. Chairman and members of the tax committee:

Thank you for the opportunity to express my support for House Bill 2421, Sales and use tax exemption of bullion, numismatic coins, and currency. I appreciate the work that you do to provide funding for our state government, while being as fair as possible to the citizens of Kansas.

I am the owner of Dean Schmidt Rare Coins, the president of the Kansas Numismatic Association, and lifelong resident of our state. My business was founded in 1988, and mainly focused on the numismatic wholesale market on the national level until I opened a brick-and-mortar location in Atchison in 2008. Although I was aware of the sales tax exemption for coins and bullion in Missouri, the lack of an exemption in Kansas has proven to be a major handicap for all customers in Kansas and for my overall business. My business has basically evolved into a buying operation, and instead of having the ability to sell material to customers in my store, almost all sales are wholesale and out-of-state. Several dealers have told me that they will not attend a convention in Kansas as long as the sales tax remains in place. At least one individual has told me he would seriously consider moving his business from Missouri to Kansas if this sales tax exemption is enacted.

An excellent analogy for this situation is the inequality of fuel taxes on gasoline between Kansas and Missouri. Currently, the approximate difference in gas taxes is 7 cents a gallon between the states. Kansas motorists cross the bridge to Missouri to save 4 to 5 cents a gallon on gasoline, and the gasoline business owner in Missouri profits more than the operator would have made in Kansas. The net result is the average Kansas motorist saves 75 cents to a dollar on a tank of gas, Missouri collects all of the fuel tax, and Kansas receives no income for its highway fund.

In conclusion, the collectors, investors, and dealers in Kansas are not asking for an advantage. We are only requesting that the State of Kansas remove a disadvantage so that we can compete fairly with our neighbors in Missouri and businesses across the country.

Thank you for your attention to this matter.

Respectfully,

Dean Schmidt

Owner, Dean Schmidt Rare Coins

President, Kansas Numismatic Association

Professional Numismatists Guild, member #451